

A photograph of two business professionals in a meeting, looking at documents on a table. The image is partially obscured by a blue geometric shape in the top right corner.

# Opus Bank

## THE CHALLENGE

A retail bank headquartered in California with 47 branches in four states was fully insured in an HMO paying capitation fees to primary care providers for all members, even if they were not seeking services from these providers. With enrollment approaching 600 employees, Shirazi Benefits saw potential in a self-funded plan structure, leaving the HMO model to customize benefits and reap financial rewards of savings as a self-funded client. The incumbent carrier's January renewal was issued at 10% over current for the fully insured option and 15% to move to a self-funded arrangement.

## THE SOLUTION

Shirazi Benefits was invited to participate in a request for broker services proposal in May of 2019 and was awarded broker of record effective July 1, 2019. All lines of coverage were sent to the full market immediately upon receiving the broker of record assignment. The market analysis was presented to the employee benefit committee and the decision was made to make the transition to a self-funded structure effective November 1, 2019 (providing a 14 month rate guarantee), prior to the renewal date of January 1, 2020. The move to a self-funded structure provided the client with immediate increased savings, data transparency through data analytics with Springbuk, custom plan designs and a larger nationwide network of providers.

## THE RESULT

Employees saw similar benefit structure to existing plans and were offered an additional option of a health reimbursement account, CDHP plan. The self-funded plan designed by Shirazi Benefits resulted in a surplus to their claims pool of approximately \$210,000 in seven months. With Shirazi Benefits as broker of record for only seven months prior to the sale of the bank, the savings to the bank was approximately \$750,000 and would have been over \$1M in savings for a full plan year.



## DID YOU KNOW

When employees are thoroughly educated on health plan options, their favorability rating of the benefit plans increases from 25.7% to 83.6%. On average, 85% of the American population have less than \$1,000 in annual healthcare expenses.